

Product/Market Fit – Milestone #1

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www.dkparker.com

Workshop Schedule

- ▣ Product/Market Fit
- ▣ Pricing and Product Roadmap
- ▣ Go-to-Market Planning
- ▣ Financial Modeling

Agenda

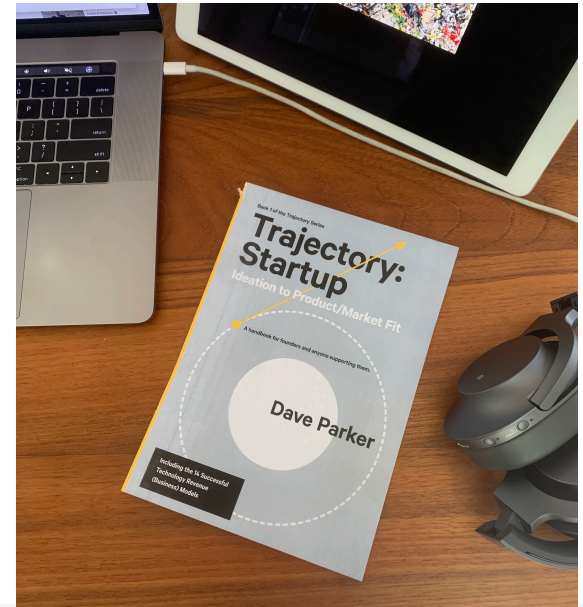
- ▣ About Dave
- ▣ Product/Market Fit
- ▣ Marketing Funnel – B2B, B2C
- ▣ Product/Market Pull
- ▣ Workshop

About Dave

- 5X founder, raised \$12M, exited \$85M
- Former SVP Programs at UP Global (Startup Weekend)
 - Startup Next creator, Startup Week
- Author – "[Trajectory: Startup – Ideation to Product Market Fit](#)" shipping today!
- 2X VC and random Angel

Resources

- 14 Revenue Model Excerpt
 - <https://www.dkparker.com/trajectory-excerpt/>
- Dave's Blog
 - www.dkparker.com
- Peter's Blog – Product Market Pull
 - <https://productmarketpull.com/>



What Matters Most?



Passion!



The Product



Making
\$\$



The Market



The Team

Some Calculus

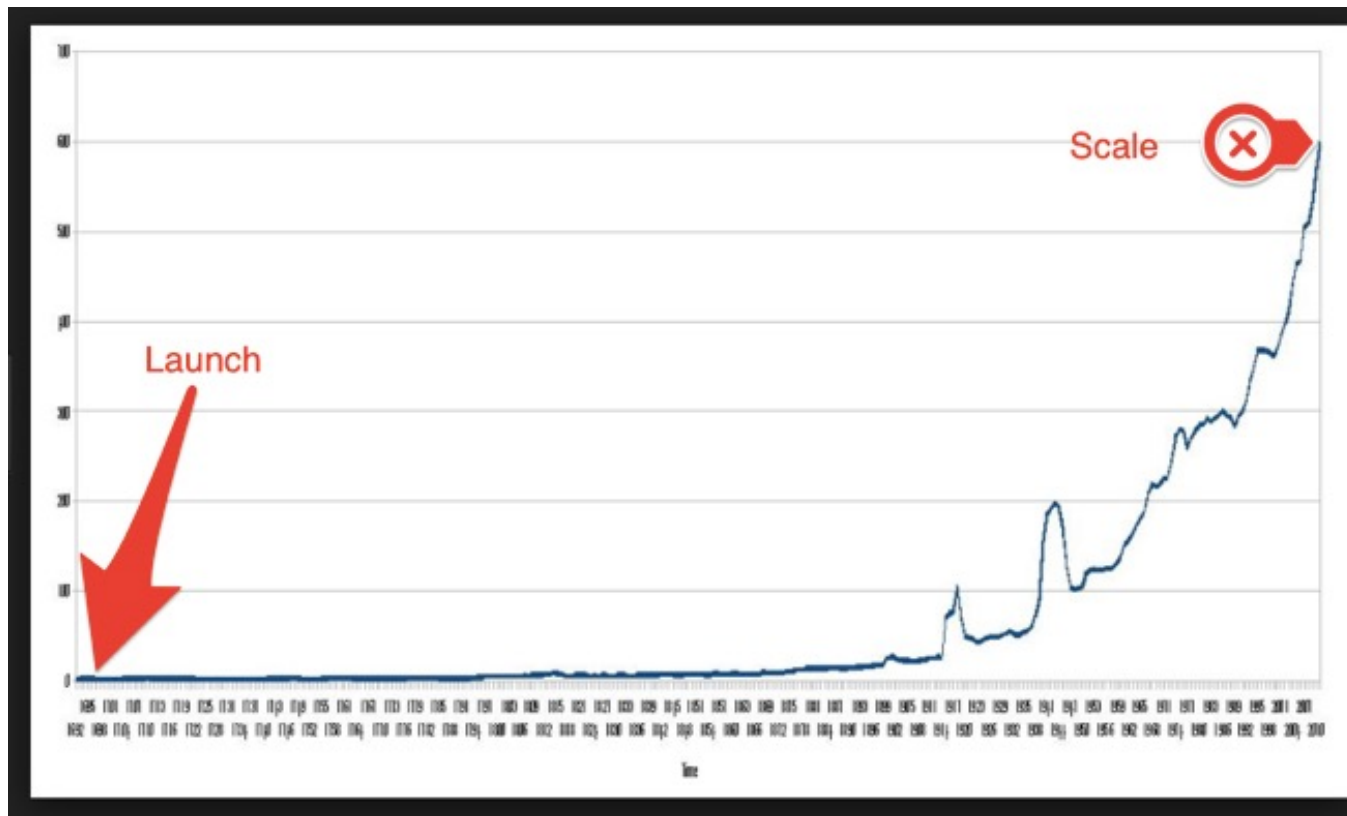
- Great Team in Bad Market = Failure or meh result
- OK team + Great Market = could be great result
- Great Product + no path to revenue = failure
- OK product + great monetization = make \$\$

- Great market + great team + great product + solid monetization + great execution = monster result

From TAM to Customer Profiles

- TAM is abstraction, PMF makes it real
- Customer Profiles Matter
 - First 10 customers
 - First 100 customers
 - First 1000 customers
- Start narrow and expand Ideal Customer Profile (ICP)

Stage: Launch vs. Scale



Product Market Fit

Two Epoch's of every startup

- Pre - Product Market Fit
 - The only thing that matters is getting there
- Post – Product Market Fit
 - A whole new set of questions – Scale, Culture and People

Pre – PMF

- ▣ Some Revenue
- ▣ Some Customers
- ▣ Some Marketing
- ▣ A lot Hypothesis

Post – PMF

- ▣ Predictable & Scalable Revenue
- ▣ Customer profiles
 - ▣ Cohort analysis
- ▣ Churn
- ▣ Scalable marketing
- ▣ Hypothesis + Data

Product/Market Fit = Math

- PMF means being in a good market with a product that can satisfy that market (no more pivots required)
- Pre-PMF looks like compound interest, early options:
 1. Leads are increasing
 2. Conversion ratios are increasing
 3. ACV/MRR is increasing
 4. Time to close is decreasing
 5. Time on site/app is increasing
 6. Referrals are increasing

Leading and Trailing Indicators

Leading Indicators

- ▣ Acquisition
- ▣ Activation/Engagement
- ▣ Referrals
- ▣ Forecastable/Predictable revenue

Trailing Indicators

- ▣ LTV:CAC Ratio trends
- ▣ Retention
 - ▣ 1-4 rating of disappointment scale
- ▣ Revenue
- ▣ Financials

Marketing – Finding the right customers (message, product)

Marketing – Finding Customers

- Messaging/Value Proposition
 - Does it resonate with the target customer segment
 - They are the hero of the story
 - Is it repeatable?
- Customer Profiles
- Strategy
 - Outbound first
 - Inbound second

Key Metric Terms

- ▣ State your hypothesis
 - ▣ CAC – Customer Acquisition Cost
 - ▣ LTV – Life-time value
 - ▣ ARPU – Average Revenue per User/account
 - ▣ MRR, ARR, ACV
 - ▣ Churn – or retentions
 - ▣ Time to Close
 - ▣ Customer engagement
 - ▣ Time on Site/App
 - ▣ Frequency

B2B and B2C

B2B Funnel

- ▣ Traffic
- ▣ Marketing Channels
- ▣ Marketing Qualified Lead
- ▣ Sales Qualified Leads
- ▣ Sales Funnel
- ▣ Time to Close
- ▣ Customers

B2C Funnel

- ▣ Traffic
- ▣ Marketing Channels
- ▣ Leads
- ▣ Time to Close
- ▣ Customers

Product Market Pull

5 Steps to Embrace “Test Driven Learning”

5 Steps to Embrace “Test-Driven Learning”

1

Define your who, what, why statement

Articulate what problem do you think your customers want you to solve.

2

Be Scientific

Create a testable hypothesis against the problem.

3

Build an Audience Matrix (of real people and/or companies)

Build audiences that acutely represent your vision.

4

Test For Resonance

Go into the market and run experiments that prove or refute your hypothesis.

5

Measure

Evaluate your results and see where you were correct.

6

Iterate or Kill

Reflect on your work and see if you've gained or lost conviction in the idea..

Classic Story

A well-known celebrity thinks there is a big opportunity for an on-demand chef marketplace.

Answers he came prepared with...

What's the problem?	"We were travelling and tried to hire a personal chef. It was a disaster and we weren't able to hire one. There must be a better way!"
Do people want this?	"Yes! I spoke with a bunch of my friends. They have all had this experience."
Do chefs want to do this?	"I have a personal chef at home and she said she knew of many chefs who want to do this, but it's inefficient currently."
Is there a big market?	"It's huge and growing. Personal chef companies have grown over 300% in the last 5 years, but there is no marketplace."

So, how did we validate this?

We tested the concept to over 100,000 people.

What do we do to validate an idea digitally?

Invented a brand	We built a brand called ChefJoy, aimed at being “the easiest way to hire a personal chef.”
Created a website with several landing pages	We built several different landing pages to test value props and visuals against each audience segment.
Ran ads to several segments on Facebook.	We ran dozens of ads to 100,000 people, across a wide variety of segments, measuring CTR, CPC, CPM, and Scale.
Collected signups.	We drove 1,000s of people to landing pages and measured their willingness to use an app to find a personal chef.

Timeline: 11 days | Budget: \$850

Our first results, showed us **low consumer demand**.

Luxury Travel Chef for Parents

Impressions

24,636



Clicks / CTR

89 / 0.36%



Cost Per Click

\$2.95



Conversions / Conv. Rate

0%



ChefJoy

ChefJoy
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The next time you travel, spend your time relaxing by the pool, instead of in the kitchen with ChefJoy.

www.chefjoy.co
Make memories, not dishes. [LEARN MORE](#)

**Make memories, not dishes.
Hire a personal chef.**

ChefJoy allows you to easily book private chefs that prepare and cook food for when you travel.

I

Our first results, showed us **low consumer demand**.

Luxury Travel Chef for Groups

Impressions

14,655



Clicks / CTR

76 / 0.52%



Cost Per Click

\$1.13



Conversions / Conv. Rate

0%



Our first results, showed us low consumer demand.

Luxury Travel Chef for Couples

Impressions

23,527



Clicks / CTR

92 / 0.39%



Cost Per Click

\$0.85



Conversions / Conv. Rate

1%



Iteration 2 —

We tested the concept of a luxury chef for families for their daily lives.

What were the tests & results?

Personal Chef for Families

Impressions

22,076



Clicks / CTR

20 / 0.48%



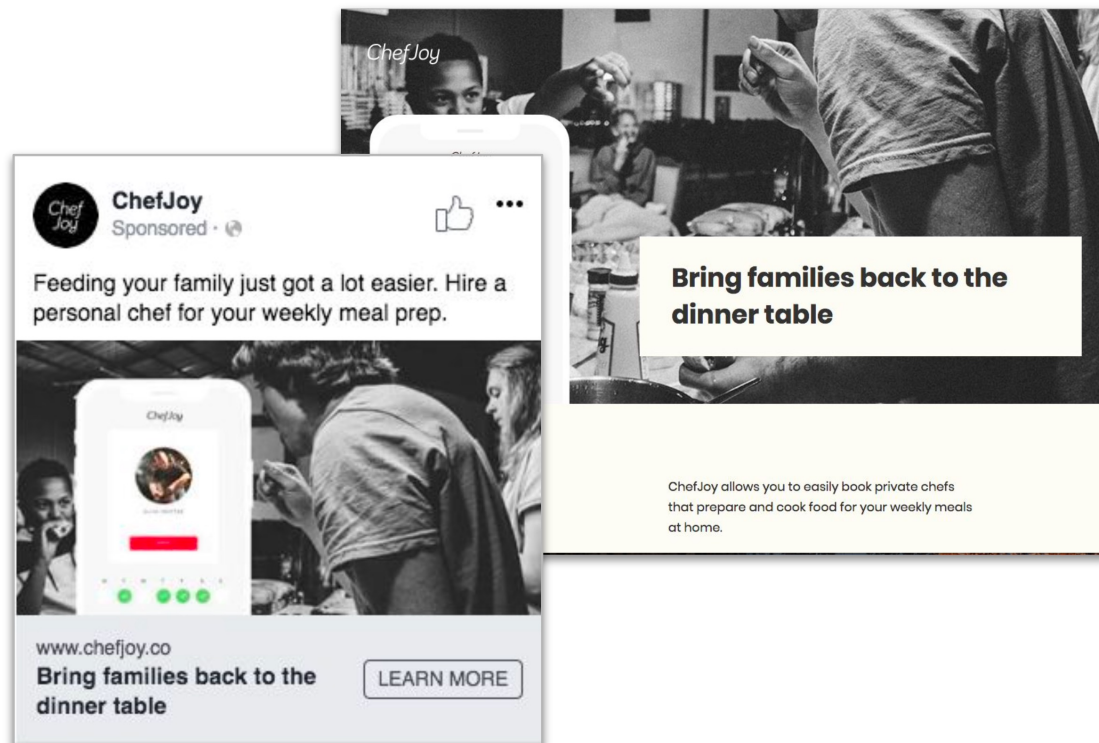
Cost Per Click

\$1.65



Conversions / Conv. Rate

0%



Iteration 3 —

We tested the concept of a luxury chef for new parents and friends of new parents.

What were the tests & results?

Personal Chef for New Parents

Impressions

17,182



Clicks / CTR

50 / 0.29%



Cost Per Click

\$1.44



Conversions / Conv. Rate

1%



ChefJoy
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You've got a lot on your hands. Let someone else take care of the weekly meals. Hire a personal chef with ChefJoy.

www.chefjoy.co
Make memories, not dishes. [LEARN MORE](#)

Leftovers = Lifesavers. Hire a personal chef.

ChefJoy allows you to easily book private chefs that prepare and cook food for your weekly meals at home.

What were the tests & results?

Personal Chef for Millennial Parents

Impressions

5,248



Clicks / CTR

19/ 0.36%



Cost Per Click

\$1.03



Conversions / Conv. Rate

1%



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In total, we tested against 5 market segments

Segment	Impressions	Clicks	CTR	CPC	Leads	CPL
Travel Parents	24,636	89	0.36%	\$2.95	0	N/A
Travel Groups	14,655	76	0.52%	\$1.13	1	\$14.86
Travel Couples	23,527	92	0.39%	\$0.85	0	N/A
Families at Home	22,076	20	0.48%	\$1.65	0	N/A
New Parents	17,182	50	0.29%	\$1.44	2	\$10.16

Synthesized Learnings —

Building a VC-backed business in chefs for home or travel **doesn't look appetizing**, validated through systematic testing to **100,000 people**.

So, what has been a winner?

BOUNDLESS

(had humble roots as)



We tested Boundless to over 80,000 people searching for immigration help on Google.

With Google, you can validate value props through “search intent”.

\$400 Complete Spousal Visa | Start your CR1/IR1 Now

Ad www.visafiling.com/marriage-visa

Visa Filing saves you time and money getting your spouse to the U.S.

How long does it take?

Understand the visa timelines for bringing your spouse to the US

What income is required?

What are the income requirements to bring your spouse to the US?

Get a free consultation

Get started the right way free consultation to begin

What is the process?

What is the process for bringing your spouse to the US?

Don't get denied on your IR1 | Prevent filing mistakes

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Immigrating your spouse to US? | Explore the right path for you

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Ready to file your I-130? | Get a legal review here first

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But we can also test features, pricing, intent, & messaging.

Pricing

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Messaging

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And we also tested by **visa type**, so we knew which product to build first (the wedge).

Segment	Impressions	Clicks	CTR	CPC	Leads	CPL
Student Visa	10,562	781	2.2%	\$1.65	96	\$13.42
Fiance Visas	21,154	688	3.2%	\$1.29	88	\$10.16
Spousal Visas	19,005	781	4.11%	\$1.06	202	\$3.86
Employment Visas	7,268	174	2.3%	\$1.55	29	\$14.64
Naturalization	24,000	581	2.4%	\$1.48	179	\$4.80

The ROI is HUGE —

Once we know there is a business, our validation efforts can inform the product, GTM, pricing, & positioning strategy.

Sales – capturing value creation

What do we do with the leads?

- Follow up email at registration, lead with value proposition, message on thank you page
- Set appointments for demos, automate where you can, [Calendly](#), HubSpot automation
- Drip campaign - Mailchimp or Hubspot
 - Paths for scheduled, not scheduled

Steps in the Sales Process

B2B

- ▣ Educational or transactional process
- ▣ Demo
- ▣ Proposal/price sheet
- ▣ Price testing, Terms – length of contract
- ▣ Promotions
- ▣ Drip campaign follow up

B2C

- ▣ Transactional process
- ▣ Pricing
- ▣ Remove friction to purchase
- ▣ Promotions

Predictable/Forecastable Revenue

- ▣ De-risking your <time> investment
- ▣ Predictable revenue moves you from valuations based on trailing 12 to future 12
- ▣ Target customer
- ▣ Sales Cycle – track time from demo to close
- ▣ Tools trail Strategy and Tactics

Workshop

Introduce Your Company

- ▣ B2B, B2C
- ▣ Marketing hypothesis
- ▣ Tests so far
- ▣ ICP target
- ▣ Value proposition test
- ▣ Budget to spend

Marketing Tests

- ▣ Channels
 - ▣ Digital
 - ▣ Other
- ▣ Ads
 - ▣ Messages
 - ▣ Pricing
 - ▣ Features
 - ▣ Intent

What are your key metrics?

- How much traffic today, last month
 - Main drivers of traffic today
 - Google Analytics
 - Google Tag Manager
- Lead capture/form data
 - Call to Action (CTA)
 - Demo, white paper
- Demo feedback
- Time to close